

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	: DATE FILED:
v.	: CRIMINAL NO. 03-
PAUL J. NEWMAN	: VIOLATIONS: 18 U.S.C. § 1029(a)(2) (Unauthorized use of access devices - 11 counts) 18 U.S.C. § 2 (Aiding and abetting) 18 U.S.C. § 982 (Criminal forfeiture)

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this Indictment:

1.       The Chase Manhattan Bank, N.A. (Chase) was a national bank which issued credit cards to individual and commercial account holders.
  
2.       Chase forwarded credit cards to its account holders through the United States Mail.
  
3.       Chase maintained a post office box in Wilmington, Delaware for the return of credit cards which were determined to be undeliverable by mail to its account holders through the United States Mail.
  
4.       Chase provided a service to its account holders which enabled account holders to activate their account and check their available credit and account balances through a Voice Response Unit (VRU). The VRU required the person calling to enter identifying

information through numbers pressed on the telephone keypad.

### THE SCHEME

5. Between on or about February 1, 1999 and on or about November 13, 2000, defendant PAUL J. NEWMAN and others unknown to the grand jury used approximately 139 Chase credit cards, which were not delivered to the true account holders and should have been returned to Chase as undeliverable, to make unauthorized purchases at stores, gas stations, and restaurants in Pennsylvania, Delaware, New Jersey and elsewhere, resulting in a loss of approximately \$599,303.69.

6. Prior to the unauthorized use of the Chase credit cards, the VRU received calls checking on the available credit on the cards. Defendant PAUL J. NEWMAN made many of the telephone calls to the VRU regarding these credit cards originated from telephone numbers 215-564-9926 and 215-564-9804, numbers assigned to public telephones located on the first floor of the Philadelphia Municipal Services Building, 1417 John F. Kennedy Boulevard, Philadelphia, Pennsylvania.

7. Defendant PAUL J. NEWMAN was an employee of the City of Philadelphia, Pennsylvania. Defendant NEWMAN worked primarily in the Philadelphia Municipal Services Building, but engaged in business-related travel on at least two occasions, including to Las Vegas, Nevada between on or about December 5, 1999, and on or about December 8, 1999, and to Orlando, Florida between on or about June 16, 2000, and on or about June 22, 2000.

8. On or about June 6, 2000, defendant PAUL J. NEWMAN placed approximately ten telephone calls from 215-564-9926 to Chase's VRU with regard to ten

different Chase credit card accounts.

9. On or about June 8, 2000, defendant PAUL J. NEWMAN placed approximately eleven telephone calls from 215-564-9926 to Chase's VRU with regard to eleven different Chase credit card accounts.

10. On or about July 6, 2000, defendant PAUL J. NEWMAN placed approximately five telephone calls from 215-564-9926 to Chase's VRU with regard to five different Chase credit card accounts.

11. On or about July 14, 2000, defendant PAUL J. NEWMAN placed at least one telephone call from 215-564-9926 to Chase's VRU with regard to one Chase credit card account.

12. On or about July 24, 2000, defendant PAUL J. NEWMAN placed approximately six telephone calls from 215-564-9926 to Chase's VRU with regard to six different Chase credit card accounts.

13. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 7347, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$6,070.81, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
10/27/99	Target	North Wales, PA	\$847.96

10/30/99	Neiman Marcus	Philadelphia, PA	\$280.30
11/30/99	Amtrak	Philadelphia, PA	\$107.00
12/1/99	K-Mart	Claymont, DE	\$499.96
12/7/99	Bernini's	Las Vegas, NV	\$429.00
12/10/99	Home Depot	Fairless Hills, PA	\$613.74
12/11/99	Philadelphia 76ers	212-307-7171	\$228.40
12/15/99	Target	Springfield, PA	\$364.59
12/17/99	Home Depot	Montgomeryville, PA	\$793.94
12/18/99	Footlocker	Philadelphia, PA	\$450.00
12/19/99	Outback	Jenkintown, PA	\$59.16
12/21/99	Bachrach	King of Prussia, PA	\$130.00
12/22/99	American Appliance	Wilmington, DE	\$787.95
12/24/99	Footlocker	Philadelphia, PA	\$449.97
1/28/00	Paris La Menagerie	Las Vegas, NV	\$257.24

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 8171, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$7,914.28, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
11/9/99	Best Buy	Fairless Hills, PA	\$1314.37
11/13/99	Hilton	Atlantic City, NJ	\$300.00
11/22/99	Best Buy	Deptford, NJ	\$1059.98
11/27/99	Home Depot	Woodbridge, NJ	\$793.94
12/1/99	Home Depot	Claymont, DE	\$277.00
12/4/99	Louis Vuitton	Las Vegas, NV	\$1034.96
12/10/99	K-Mart	Langhorne, PA	\$265.10
12/11/99	Exxon	Philadelphia, PA	\$21.66
12/14/99	Best Buy	Deptford, NJ	\$1128.83
12/15/99	Footlocker	Philadelphia, PA	\$267.99
12/17/99	Mobil Oil	North Wales, PA	\$10.02

12/18/99	Amtrak	Philadelphia, PA	\$228.00
12/21/99	Footlocker	Philadelphia, PA	\$397.47
12/22/99	K-Mart	Wilmington, DE	\$799.96
12/23/99	Center City Car Wash	Philadelphia, PA	\$15.00

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 4336, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$4,509.69, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
5/12/00	Hecht's	Wilmington, DE	\$73.62
5/12/00	Hecht's	Wilmington, DE	\$149.95
5/18/00	Sam Ash Music	New York, NY	\$2,543.99
5/28/00	Pizzeria Uno	King of Prussia, PA	\$50.31
5/29/00	Amoco	Philadelphia, PA	\$19.14
6/1/00	Septa	Philadelphia, PA	\$64.00
6/1/00	Penn Center Beauty Supply	Philadelphia, PA	\$31.00
6/2/00	K-Mart	Deptford, PA	\$466.38
6/2/00	Amoco	Philadelphia, PA	\$15.00
6/9/00	K-Mart	Wilmington, DE	\$166.98
6/9/00	K-Mart	Wilmington, DE	\$569.98

6/13/00	Home Depot	Fairless Hills, PA	\$359.34
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All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.



COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 2457, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$6,999.04, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
5/15/00	Home Depot	Upper Moreland, PA	\$800.30
5/18/00	Best Buy	Mount Laurel, NJ	\$847.99
5/24/00	Circuit City	Wilmington, DE	\$1349.98
5/24/00	Exxon	Wilmington, DE	\$15.01
5/26/00	Bryn Mawr Stereo	North Wales, PA	\$1377.99
5/30/00	Home Depot	Mount Laurel, NJ	\$833.16
6/2/00	Best Buy	Deptford, NJ	\$1452.18
6/10/00	Exxon	Philadelphia, PA	\$35.85
6/11/00	Target	Burlington, NJ	\$87.64
6/19/00	ESPN Sports Club	Lake Buena Vista, FL	\$20.59

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.



COUNT FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 4675, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$8,455.37, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
5/15/00	Circuit City	Willow Grove, PA	\$1165.99
5/18/00	Golfsmith Golf Center	Moorestown, NJ	\$805.50
5/22/00	Circuit City	Cherry Hill, NJ	\$1441.58
5/26/00	Circuit City	Montgomeryville, PA	\$1165.99
6/2/00	Circuit City	Deptford, NJ	\$1430.98
6/6/00	Wal Mart	New Castle, DE	\$917.96
6/13/00	K-Mart	Langhorne, PA	\$264.99
6/14/00	Dick's Clothing & Sporting	Mount Holly, NJ	\$423.99
6/16/00	NBA City	Orlando, FL	\$61.07
6/17/00	Panchito's Gifts Sundries	Lake Buena Vista, FL	\$31.82
6/17/00	Coronado Foods	Lake Buena Vista, FL	\$56.00

6/21/00	Men in Black	Orlando, FL	\$15.90
6/29/00	Amoco	New Castle, DE	\$15.01
6/30/00	Mobil	Morton, PA	\$49.01
6/30/00	Comfort Inn	Philadelphia, PA	\$143.66
7/3/00	Amoco	Philadelphia, PA	\$15.01
7/8/00	Sam's Dollar Village	Philadelphia, PA	\$400.00
7/8/00	Sunoco	Philadelphia, PA	\$26.05
7/8/00	Mobil	Philadelphia, PA	\$20.09
7/8/00	Rite Aid Corp.	Philadelphia, PA	\$4.77

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 2249, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$4,482.71, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
5/18/00	Best Buy	Mount Laurel, NJ	\$529.99
5/24/00	Best Buy	Fairless Hills, PA	\$1293.18
5/26/00	Bennigan's	Montgomeryville, PA	\$59.20
6/2/00	Best Buy	Deptford, NJ	\$1293.18
6/9/00	Best Buy	Wilmington, DE	\$899.99
6/13/00	K-Mart	Langhorne, PA	\$392.17
6/14/00	Mobil	Philadelphia, PA	\$15.00

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 4086, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$1,458.48, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
6/3/00	Home Depot	Mount Laurel, NJ	\$839.48
6/17/00	Steam Train Tour	Lake Buena Vista, FL	\$559.68
6/23/00	Mobil	Glenside, PA	\$37.10
6/27/00	Mobil	Philadelphia, PA	\$22.22

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 4263, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$4,452.34, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
5/24/00	Dick's Clothing & Sporting	Fairless Hills, PA	\$847.98
6/3/00	Center City Car Wash	Philadelphia, PA	\$20.20
6/4/00	Amoco	Philadelphia, PA	\$22.67
6/6/00	Sunoco	Philadelphia, PA	\$25.57
6/9/00	Mobil	Philadelphia, PA	\$23.00
6/16/00	IOA Admissions	Orlando, FL	\$317.85
6/21/00	NBA City	Orlando, FL	\$3180.00
6/26/00	Mobil	Philadelphia, PA	\$15.07

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 3156, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$3,203.46, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
6/6/00	Golf Augusta of PA	Wilmington, DE	\$899.99
6/14/00	Home Depot	Burlington, NJ	\$728.22
6/26/00	K-Mart	Langhorne, PA	\$423.98
6/30/00	Home Depot	Primos-Secane, PA	\$612.54
6/30/00	Houlihan's	Bala Cynwyd, PA	\$272.11
7/1/00	Amoco	Philadelphia, PA	\$33.76
7/1/00	Mobil	Glenside, PA	\$26.92
7/15/00	Mobil	Philadelphia, PA	\$30.67
7/15/00	Mobil	Philadelphia, PA	\$25.00
7/15/00	Hilton Hotel	Cherry Hill, NJ	\$115.53
7/19/00	Mobil	Philadelphia, PA	\$34.74



All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

COUNT TEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 2270, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$4,455.98, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
6/30/00	Comp USA	Montgomery, PA	\$847.97
7/3/00	Toys R Us	Willow Grove, PA	\$498.17
7/10/00	Best Buy	Willow Grove, PA	\$1518.95
7/14/00	Cherry Hill Fine Wine	Cherry Hill, NJ	\$93.24
7/16/00	Marriott Hotel	Philadelphia, PA	\$58.06
7/18/00	Comp USA	Wilmington, DE	\$799.97
7/20/00	Maverick Restaurant	Harrisburg, PA	\$41.36
7/21/00	Target	Langhorne, PA	\$476.99
7/23/00	Zesty's	Philadelphia, PA	\$84.20
7/28/00	Toys R Us	Wyncote, PA	\$37.07

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

COUNT ELEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 12 of Count One are realleged here.
2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

PAUL J. NEWMAN

knowingly and with intent to defraud, used and aided and abetted the use of an unauthorized access device, that is, a Chase credit card, which bore a number ending in the digits 3465, to obtain goods, services, and other things of value aggregating \$1,000 or more during a one-year period, that is, approximately \$2,552.98, as listed below, thereby affecting interstate commerce:

<u>Date</u>	<u>Merchant</u>	<u>Location</u>	<u>Amount</u>
7/13/00	Circuit City	Montgomeryville, PA	\$1589.99
7/25/00	Bryn Mawr Stereo	Philadelphia, PA	\$962.99

All in violation of Title 18, United States Code, Sections 1029(a)(2) and 2.

## NOTICE OF FORFEITURE

1. As a result of the violations of Title 18, United States Code, Section 1029(a)(2), as set forth in Counts 1 through 11 of this Indictment, the defendant

PAUL J. NEWMAN

shall forfeit to the United States of America any and all property, real and personal, involved in such offenses, and any property traceable to such property, including, but not limited to, the sum of \$599,303.69.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

1. cannot be located upon the exercise of due diligence;
2. has been transferred or sold to, or deposited with, a third party;
3. has been placed beyond the jurisdiction of the Court;
4. has been substantially diminished in value; or
5. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982.

A TRUE BILL:

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FOREPERSON

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PATRICK L. MEEHAN  
United States Attorney